

Economic Impact Statement

LSA Document #11-275

IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses

IC 4-22-2.1-5(a) provides that an agency that intends to adopt a rule under IC 4-22-2 that will impose requirements or costs on small businesses must prepare a statement that describes the annual economic impact of the rule on small businesses after the rule is fully implemented as described in IC 4-22-2.1-5(b). That statement must be submitted to the Indiana Economic Development Corporation (IEDC). The IEDC is required to review the rule and submit written comments to the agency not later than seven days before the public hearing.

The Indiana Gaming Commission (Commission) proposes a rule that would specify the approval process regarding any deviation from the provisions of 68 IAC 2-3.5, amends the requirements concerning the transportation of casino playing cards and dice within and outside the state of Indiana, and makes numerous technical changes.

Estimated Number of Small Businesses Affected:

The substantive portions of the proposed rule apply to junket operators, casino licensees, and supplier licensees. Therefore, it is important to understand whether any of these licensed entities can be considered to be a small business.

Under IC 4-22-2.1-4, a small business is any person, firm, corporation, limited liability company, partnership, or association that (1) is actively engaged in business in Indiana and maintains its principal place of business in Indiana; (2) is independently owned and operated; (3) employs one hundred (100) or fewer full-time employees; and (4) has gross annual receipts of five million dollars (\$5,000,000) or less.

Casino licensees affected by the proposed rule do not meet the above definition of a small business because their gross annual receipts exceed \$5,000,000. In addition, the Commission is unaware of any supplier licensee that provides playing cards or dice, or both, to an Indiana casino licensee who maintains their principal place of business in Indiana.

There are currently 12 junket operators licensed by the Commission, of which one who would qualify as a small business. The rule addition applicable to junket operators provides the framework to request a deviation from the requirements of 68 IAC 2-3.5.

Estimated Administrative Costs Imposed on Small Businesses:

The Commission estimates that the one small business affected by the rule addition will incur minimal additional administrative expenses. The provision would require that the small business make their request in writing for a deviation from the provisions of 68 IAC 2-3.5.

Estimated Total Annual Economic Impact on Small Businesses:

The Commission estimates that there will be approximately \$0 total fiscal impact on the small business as a result of compliance with this rule. In almost all cases, the small business will benefit from reduced costs savings in not having to comply with procedures or requirements required by the rule that are impractical or burdensome to the small business.

In the event the small business request for deviation from the provisions is denied by the Commission or Executive Director, the only economic impact that the small business will have incurred will be the administrative cost of requesting the deviation.

Justification of Requirements or Costs:

The Commission justification of requirements or costs is the rule is designed to alleviate the burden to the small business of any provisions provided in 68 IAC 2-3.5 that the small business finds to be impractical or burdensome. The rule provides a framework for the small business to seek relief from the requirements associated with complying with provisions of 68 IAC 2-3.5.

Regulatory Flexibility Analysis:

The Commission does not propose an alternative regulatory method since the proposed rule's effect will be a net positive gain to the small business in the creation of a deviation process from rules provided under 68 IAC 2-3.5. The proposed rule provides the framework for the small business to seek relief from the provisions of 68 IAC 2-3.5 that the small business deems impractical or burdensome, and this avenue for relief is not available to the small business under the current administrative code.

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